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TOWNSEND AND TOWNSEND AND CREW, LLP
TWO EMBARCADERO CENTER
EIGHTH FLOOR
SAN FRANCISCO, CA 94111-3834

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte PHILIP T. MELLINGER,
BRIAN P. PRENDERGAST, and DUANE RITTER

Appeal No. 2007-4551
Application No. 10/091,001
Technology Center 3600

March 14, 2008

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and MICHAEL W. O'NEILL, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Mellinger, et al. (Appellants) seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-47. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We REVERSE.[1]

THE INVENTION

The invention relates to credit card transaction tracking methods and systems. The claimed invention is directed to monitoring financial transactions for suspicious activities (e.g., terrorist activities). According to the Specification, account identifiers are provided on some types of instruments presented to merchants, such as credit cards. (Specification 5:29-30.) According to the invention, "a credit processing service receives a list of target account identifiers. The list may be received, for example, from a government agency interested in apprehending or monitoring the users of the accounts represented by the account identifiers." (Specification 6:19-22.) "The credit processing organization then searches the transaction information transmitted to it for processing and identifies transactions involving any of the target account identifiers. Upon finding such a transaction, the processing service compiles a message containing relevant portions of the transaction information and transmits the message to the generator of the target account identifier list or a designee of the generator." (Specification 6:28-7:2.)

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[1] Our decision will make reference to the Appellants' Appeal Brief ("App. Br.," filed Nov. 1, 2005), the Examiner's Answer ("Answer," mailed Jun. 15, 2006), and the Reply Brief ("Reply Br.," Aug. 14, 2006).

Claim 1 is illustrative of the claimed invention:

1. A method of using a computer to monitor financial transactions, the method comprising:

periodically receiving at a computer system a target account identifier of a suspect account;

receiving financial transaction information at the computer system, the financial transaction information including transaction records for a plurality of financial transactions that each have at least one associated account identifier, wherein the financial transaction information is received at the computer system immediately after or while the financial transactions occur, and wherein a plurality of the associated account identifiers are different from the target account identifiers;

at the computer system, comparing the target account identifier with the transaction information as the financial transaction information is received at the computer system to determine if the target account identifier matches any of the account identifiers of the transaction information;

upon the occurrence of a match, generating an alert having at least a portion of the transaction record that has an account identifier matching the target account identifier; and

transmitting the alert to a recipient.

THE REJECTION

The Examiner relies upon the following as evidence of unpatentability:

Joao	US 5,903,830	May 11, 1999

The following rejection is before us for review:

Claims 1-47 are rejected under 35 U.S.C. § 103(a) over Joao.

ISSUES

The issue is whether the Appellants have shown that the Examiner erred in rejecting claims 1-47 as unpatentable over Joao. The issue turns on whether the prior art would have led one having ordinary skill in the art to "periodically receiv[e] at a computer system a target account identifier of a suspect account … [and] at the computer system, compar[e] the target account identifier with the transaction information as the financial transaction information is received at the computer system to determine if the target account identifier matches any of the account identifiers of the transaction information" (claim 1).

FINDINGS OF FACT

We find that the following enumerated findings are supported by at least a preponderance of the evidence. *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

The scope and content of the prior art

1. Joao is directed to a transaction security apparatus and method.
2. Joao does not disclose target identifiers.

Any differences between the claimed subject matter and the prior art

3. The claimed subject matter differs from that of Joao in not disclosing target identifiers.

The level of skill in the art

4. Neither the Examiner nor the Appellants have addressed the level of ordinary skill in the pertinent art of monitoring financial transactions. We will therefore consider the cited prior art as representative of the level of ordinary skill in the art. *See Okajima v. Bourdeau,* 261 F.3d 1350, 1355 (Fed. Cir. 2001) ("[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error 'where the prior art itself reflects an appropriate level and a need for testimony is not shown'") (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985).

Secondary considerations

5. There is no evidence on record of secondary considerations of non-obviousness for our consideration.

PRINCIPLES OF LAW

"Section 103 forbids issuance of a patent when 'the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.'" *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the

prior art, (2) any differences between the claimed subject matter and the prior art, and (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 127 S.Ct. at 1734 ("While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.") The Court in *Graham* further noted that evidence of secondary considerations "might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented." 383 U.S. at 18.

ANALYSIS

The Examiner's position is that Joao teaches everything but the comparison features of the invention.

> As per claim 1, Joao et al. teach a computer system having methods of monitoring financial transactions comprising a means for receiving financial transaction information. … . *Joao et al. do not explicitly mention a means for periodically receiving a target account identifier of a suspect account, and a means for comparing the target account identifier with the transaction information to determine if the target account identifier matches any of the account identifiers of the transaction information*. However, Joao et al. teaches a computer system having a processor processes accounts for any of the various banks and/or financial institutions which issue and/or manage credit cards, charge cards, debit cards, and/or currency or "smart card" and/or process or manage these accounts (column 4, lines 23-31).

Answer 4. (Emphasis added.) In other words, the Examiner concedes that Joao does not teach a target account identifier, receiving it, and comparing it with identifiers of a transaction information.

The Examiner determined that

> it would have been obvious to one having ordinary skill in the art at the time the invention was made to realize that the system, as taught by Joao et al. is *capable* of having means for receiving the target account identifier is a suspect account and comparing the target account identifier with the transaction information to determine if the target account identifier matches any of the account identifiers of the transaction information so that to authorize or cancel the transactions.

Answer 5. (Emphasis added.)

The Examiner relies on col. 5, ll. 26-39 of Joao to support the contention that Joao is

> capable of having means for receiving the target account identifier as a suspect account and comparing the target account identifier with the transaction information to determine if the target account identifier matches any of the account identifiers of the transaction information so that to authorize or cancel the transactions.

Id..

> It should also be noted that every day, normal users and/or also thieves use these cards [i.e., lost , stolen, etc., card] to perform financial transactions. Joao et al. teach that during a financial transaction, cards data and financial transactions data are transmitted to a remote computer. Thus, the claimed step of periodically receiving at a computer system, a target account

identifier of a suspect account is taught by Joao et al. Note col 5, lines 26-39.

Answer 11.

We reproduce col. 5, ll. 26-39 of Joao:

> The apparatus and method of the present invention may commence operation when the card, which is utilized in a credit card, charge card, debit card, and/or currency or "smart" card, or number corresponding thereto, transaction, is offered at the point-of-sale or other appropriate location whereupon the attendant or point-of-sale terminal operator will activate the apparatus in any typical manner, such as by obtaining a phone line and entering card information into the point-of-sale terminal. Data entry may typically be performed by swiping the magnetic strip of the card through a card reader of the point-of-sale terminal. The information and/or data pertinent to the transaction and the card is then transmitted to the central processing computer.

We are unable to find any mention of target identifiers in the passage above.

We have reviewed Joao. We are unable to find, and the Examiner has not pointed to relevant disclosure, which would show lost, stolen, etc., cards that thieves might use representing target identifiers which are compared with transaction information to determine if the target account identifier matches any of the account identifiers of the transaction information. Accordingly, we are not persuaded that Joao supports the Examiner's contention that Joao is

> capable of having means for receiving the target account identifier as a suspect account and comparing the target account identifier with the transaction information to determine if the target account identifier matches any of the account identifiers of the transaction information so that to authorize or cancel the transactions.

Answer 5.

We find that a prima facie case of obviousness for the claimed subject matter has not been established.

CONCLUSION OF LAW

On the record before us, Appellants have shown that the Examiner erred in rejecting the claims 1-47 under 35 U.S.C. §103(a) over Joao.

DECISION

The decision of the Examiner rejecting claims 1-47 under 35 U.S.C. § 103(a) over Joao is reversed.

REVERSED

vsh

TOWNSEND AND TOWNSEND AND CREW, LLP
TWO EMBARCADERO CENTER
EIGHTH FLOOR
SAN FRANCISCO, CA 94111-3834